

# OFFICE OF POLICY AND LEGISLATION



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The Office of Policy and Legislation results from a mid-1997 amalgamation of the responsibilities of the Research and Consumer Services Division and the policy support activities of the former Office of Policy. The amalgamation occurred following the retirement of Murray Brown, longtime Deputy Commissioner in charge of the Office of Policy and Consumer Affairs.

The new unit is responsible for a variety of functions. The office is charged with providing research, information, and recommendations on financial services issues, legislative support, and other services to assist regulatory divisions and agency executives in setting policy and supervising financial institutions. The office coordinates the agency's consumer complaint handling, promulgates rules, analyzes legislation, drafts proposed legislation to address perceived needs, and compiles and disseminates information on current issues facing regulated institutions, consumers of financial services, and financial regulators. It also enforces the Mortgage Anti-Redlining Act (1977 Public Act No. 135).

Providing support for the Bureau's extensive legislative program consumed much of the unit's attention again in 1997. Unit staff continued to coordinate development of a draft proposal to modernize the banking code. It also coordinated the effort that produced a modernization of the Secondary Mortgage Act (1997 Public Act No. 91 - See Significant Developments, State Legislation, page 12). The unit, in consultation with the Department of Treasury and the Michigan Bankers Association, developed legislation to remove from various acts the barriers to public funds being deposited in bank branches whose main offices are not in Michigan. The legislation also amended the banking code to permit state-chartered banks to pledge assets to secure local government deposits of public funds (See Significant Developments, State Legislation, page 12).

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In 1997, the Bureau approved two applications under section 4 of 1977 Public Act No. 135. The first approved an expansion of a bank's previously approved home improvement loan program to lower income areas of Saginaw, Grand Rapids, and Lansing. The program offers more flexible underwriting, expanded debt-to-income ratios, some loan-to-value exceptions, shorter employment requirements, and a waiver of loan processing fees. The Bureau approved an application to expand a previously approved mortgage loan program to the cities of Ecorse, Inkster, River Rouge, Romulus, Ypsilanti, and Ypsilanti Township. The program features expanded debt-to-income ratios, more flexible underwriting, and reduced points and fees on mortgage loans up to \$50,000, making the product easier to qualify for and more affordable for low- and moderate-income persons.

The unit monitors trends in consumer complaints regarding financial institutions and represents the agency on the Senior Exploitation Quick Response Task Force and a multi-agency consumer assistance network.

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